

Mint of the United States at Philadelphia,

Sept. 26, 1885.

Hon. Dep. ^{to} H. Rep, }
 Superintendent: }

Sir: Referring to the letter and statement of the Director of the Mint, dated Sept. 25, inst., touching the cost of labor and incidentals for the two months of the new fiscal year, I have to say:

1. That the estimate of cost of Coinage for the fiscal year ending June 30, 1885 is based on the number of pieces coined, and not on the true cost of labor and incidentals. The coinage of silver and gold involves the entire cost of conversion of bullion into coin, made up of melting, refining, separating, rolling, annealing, cutting, milling, cleaning, adjusting, stamping, and making up for delivery.

2. The Coinage of minor Coins, which contributed about eighty percent of the total pieces coined in 1884, and upward of sixty percent of the total pieces coined in 1885, involved, in good part (so far as number of

Mint of the United States at Philadelphia,

, 188

Pieces are concerned) only the following processes, namely - melting, annealing, cleaning, and stamping, with the final counting on the board. The planchets for cents are furnished on contract, and hence the more costly processes of melting, rolling, cutting, and adjusting are merged in the purchase of metal, and do not figure at all in the estimate submitted.

To illustrate this we have only to take the cost per piece of the total coinage of 1884 - $6 \frac{4}{10}$ mills - and note the fact that of the total pieces 55,955,029 represented only a value of \$1,174,709.73 in a total output of \$17,806,257.53.

But in 1885 the output of Minor Coins fell to 24,610,760 pieces representing a value of \$527,556.80 in a total output of \$18,509,280.25; and the cost of each piece coined rose to eleven mills, an augmentation of cost of nearly one hundred percent. It will be seen

Mint of the United States at Philadelphia,

, 188

that the increase of cost per piece just stated corresponds very closely to the decreased output of Minor Coin, a coincidence that really furnishes a key to the whole matter of cost.

Again - 3,600,000 pieces (Silver Dollars) were struck in July and August of the present year, at a cost per piece of 18 Mills, or 1.8 cents. These pieces, however, represent par value, and the increase of cost from 1.1 cents to 1.8 appears to be very moderate indeed compared with the increase in 1885 over 1884.

Every piece coined in July, and August involved the complement of processes enumerated above.

Respectfully

W. H. Cobb
Cash

Mint of the United States at Philadelphia,
September 26, 1885

Hon. Danl. M. Fox,
Superintendent:

Sir:

Referring to the letter and statement of the Director of the Mint, dated Sept. 25, inst., touching the cost of labor and incidentals for the two months of the new fiscal year, I have to say:

1. That the estimate of cost of coinage for the fiscal year ending June 30, 1885 is based on the number of pieces coined, and not on the true cost of labor and incidentals. The coinage of silver and gold involves the entire cost of conversion of bullion into coin, made up of melting, refining, separating, rolling, annealing, cutting, milling, cleaning, adjusting, stamping, and making up for delivery.

2. The coinage of minor coins, which contributed about eighty percent of the total pieces coined in 1884, and upward of sixty per cent of the total pieces coined in 1885, involved, in good part (so far as number of pieces are concerned) only the following processes, namely – milling, annealing, cleaning, and stamping, with the final counting in the board. The planchets for cents are furnished on contract, and hence the more costly processes of melting, rolling, cutting, and adjusting are merged in the purchase of metal, and do not figure at all in the estimate submitted.

To illustrate this we have only to take the cost per piece of the total coinage of 1884 – 6 4/10 mills – and note the fact that of the total pieces 55,955,029 represented only a value of \$1,174,709.73 in a total output of \$17,806,251.53.

But in 1885 the output of Minor Coins fell to 24,610,760 pieces representing a value of \$527,556.80 in a total output of \$18,509,280.25; and the cost of each piece coined rose to eleven mills, [illegible] augmentation of cost of nearly one hundred per cent. It will be seen that the increase of cost per piece just stated corresponds very closely to the decreased output of Minor coin, a coincidence that really furnishes a key to the whole matter of cost.

Again, 3,600,000 pieces (Silver Dollars) were struck in July and August of the present year, at a cost per piece of 18 mills, of 1.8 cents. These pieces, however, represent par value, and the increase of cost from 1.1 cents to 1.8 appears to be very moderate indeed compared with the increase in 1885 over 1884.

Every piece coined in July, and August involved the complement of processes enumerated above.

Respectfully,
M.H. Cobb
Cash.